Chicago Tribune, August 24, 2007

BP backed down Thursday from its plans to dump more pollution into Lake Michigan, but critics want the oil giant to ensure its promises are legally binding.

Responding to a month of unrelenting criticism from politicians and the public, BP pledged it will not invoke provisions of a new permit that allows the largest oil refinery in the Midwest to release significantly more ammonia and suspended solids into the lake.

BP, which promotes itself as environmentally friendly, said it would abide by more stringent limits in its previous permit as the company moves forward with a \$3.8 billion expansion of its Whiting, Ind., refinery, the nation's fourth largest.

Indiana regulators on Thursday refused to commit to making BP's new pledge legally binding. But the decision is a victory for opponents who argued the permit undercut decades of efforts to clean up Lake Michigan, a magnet for sport fishing and the source of drinking water for Chicago and scores of other communities.

Bob Malone, chairman of BP America, flew to Chicago to deliver the news personally to Mayor Richard Daley, one of several politicians who said the company's initial plans were unacceptable to the public.

Malone vowed BP would search more thoroughly for alternatives to keep pollution out of the lake. He also threatened to scuttle the expansion project if an acceptable solution could not be found, though a company spokesman later said that was unlikely.

"Ongoing regional opposition to any increase in discharge permit limits for Lake Michigan creates an unacceptable level of business risk for this \$3.8 billion investment," Malone said in a statement. "We are going to work hard to make this project succeed."

City officials gave BP a report last week listing technologies in use at other refineries that dramatically reduce ammonia and solids pollution. The report, prepared by Tetra Tech Inc., a leading engineering firm, concluded that BP could upgrade the Whiting refinery's water treatment plant for less than \$40 million.

Political pressure

"We are pleased they have made some changes, but we are still going to work with them," Daley said after a 45-minute meeting with Malone at City Hall.

At the behest of U.S. Reps. Judy Biggert (R-III.) and Pete Visclosky (D-Ind.), BP is paying Argonne National Laboratory and Purdue University's Calumet Water Institute to evaluate more aggressive treatment technologies.

When BP secured its new water permit, federal and state regulators agreed there was not anything the company could do to keep more pollution out of Lake Michigan. Based largely on what BP told them, regulators concluded there is not enough room at the 1,400-acre refinery for the necessary equipment, according to public documents.

The permit allows BP to put an average of 1,584 pounds of ammonia and 4,925 pounds of suspended solids into the lake every day. The amount of solids, tiny sludge particles that pass through water treatment filters, is the maximum allowed under federal guidelines.

Citing past performance, company officials said the refinery likely would release less pollution than that. But critics said the permit sets a bad precedent, noting that the permit allowed 54 percent more ammonia and 35 percent more solids to be discharged.

As recently as Wednesday, BP had justified the additional pollution by noting the expansion would create 2,000 construction jobs and 80 permanent jobs. Shortly after a hearing before an Indiana legislative committee, though, the company signaled that it would relent to public

pressure and change its plans.

"The public is ahead of all of us," said U.S. Rep. Rahm Emanuel (D-III.), who had been planning a campaign to get BP's top investors involved in the opposition. "They don't want more pollution in their lake."

Few complained about the permit while it was under consideration earlier this year, something critics said could be attributed to paltry outreach by BP and Indiana regulators. But following a Tribune story about the project in mid-July, opponents gathered more than 100,000 petition signatures, and a bipartisan group of politicians and celebrities urged BP to back off.

Among the opposition, Illinois Gov. Rod Blagojevich threatened to sue Indiana, U.S. Rep. Mark Kirk (R-III.) prepared legislation that would strip BP of lucrative tax breaks, and U.S. Sen. Dick Durbin (D-III.) and Emanuel dipped into their campaign funds to buy radio ads asking people to sign an online petition.

The U.S. House of Representatives last month voted 387-26 to approve a non-binding resolution urging Indiana regulators to reconsider the permit. And U.S. Sen. Barack Obama (D-III.) and Emanuel called for congressional hearings into how the permit squares with provisions in the Clean Water Act.

Opponents even enlisted Eddie Vedder, the lead singer of Pearl Jam, who called for a BP boycott with a "Don't go BP Amoco" protest song at Lollapalooza earlier this month.

"BP is hearing loud and clear that they need to do something different," said Cameron Davis, president of the Alliance for the Great Lakes, an environmental group that formally appealed the permit. "The public doesn't want business as usual."

The company's request to dump more chemicals into the lake runs counter to a provision in the Clean Water Act that prohibits any downgrade in water quality, even if discharge limits are met.

To get around that rule, Indiana regulators allowed BP to install equipment that dilutes its wastewater with clean lake water about 200 feet offshore. BP is the first company in Indiana allowed to use such a "mixing zone" in Lake Michigan, according to state records. Federal regulators increasingly have frowned on the method, which they describe in public documents as a threat to human health and to fish and wildlife.

Permit unchanged

Neither BP nor Indiana officials would commit Thursday to adjusting the permit to legally lower the acceptable amount of ammonia and suspended solids released into the lake. Both the company and the state also said there will be no changes to another provision in the permit that exempts BP from tough limits on mercury pollution until 2012.

Scott Dean, a BP spokesman, said it would be up to the Indiana Department of Environmental Management to alter the permit. But state officials said the company would first have to request the changes.

"The permit as issued is in effect," said Jane Jankowski, a spokeswoman for Indiana Gov. Mitch Daniels. "If the company seeks a modification, it could be subject to change like any other permit."